



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("the Department") preliminarily determines that uncovered innerspring units ("innersprings units") completed or assembled in Malaysia by Goldon Bedding Manufacturing Sdn. Bhd. ("Goldon") using components from the People's Republic of China ("PRC"), and exported to the United States, are circumventing the antidumping duty order on innersprings from the PRC, as provided in section 781(b) of the Tariff Act of 1930, as amended ("the Act").<sup>1</sup>

DATES: *Effective Date:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4031.

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<sup>1</sup> See *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009) ("Order").

## SUPPLEMENTARY INFORMATION:

### Background

On December 31, 2014, the Department initiated an anticircumvention inquiry on imports of innersprings from the PRC exported by Goldon.<sup>2</sup> On January 12, 2015, the Department issued a circumvention inquiry questionnaire.<sup>3</sup> On January 22, 2015, we placed information on the record confirming Goldon's receipt of the questionnaire.<sup>4</sup> The Department has, to date, not received any responses to our requests for information from Goldon.

Because Goldon failed to respond to the questionnaire, the record does not contain complete information regarding the factors set forth in section 781(b) of the Tariff Act of 1930 (the "Act"). Accordingly, we have based our determination on facts otherwise available, pursuant to sections 776(a)(2)(A) and (C) of the Act, applying an adverse inference, pursuant to section 776(b) of the Act.<sup>5</sup>

### Scope of the Antidumping Duty Order

The merchandise subject to the order is uncovered innerspring units. The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS subheadings are

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<sup>2</sup> See *Uncovered Innerspring Units From the People's Republic of China: Initiation of Anticircumvention Inquiry on Antidumping Duty Order*, 79 FR 78792 (December 31, 2014) ("Initiation").

<sup>3</sup> See Letter from the Department, to Goldon, regarding "Uncovered Innerspring Units from the People's Republic of China: Circumvention Inquiry Questionnaire," dated January 12, 2015 ("Circumvention Questionnaire").

<sup>4</sup> See Memo to the File, through Scot T. Fullerton, Program Manager, Office V, AD/CVD Operations, Enforcement and Compliance, from Steven Hampton, International Trade Compliance Analyst, Office V, AD/CVD Operations, Enforcement and Compliance, regarding "Uncovered Innerspring Units from the People's Republic of China: Anticircumvention Inquiry Questionnaire: Documentation to Confirm Goldon's Receipt of the Questionnaire," dated January 22, 2015.

<sup>5</sup> For more information, see Department Memorandum, "Anticircumvention Inquiry Regarding the Antidumping Duty Order on Uncovered Innerspring Units from the People's Republic of China: Preliminary Determination Decision Memorandum for Goldon Bedding Manufacturing Sdn. Bhd.," dated concurrently with these results ("Preliminary Decision Memorandum").

provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.<sup>6</sup>

#### Scope of the Anticircumvention Inquiry

The products covered by this inquiry are innerspring units, as described above, that are manufactured in Malaysia by Goldon with PRC-origin components and other direct materials, such as helical wires, and that are subsequently exported from Malaysia to the United States.

#### Methodology

The Department has conducted this preliminary determination of circumvention in accordance with section 781(b) of the Act and 19 CFR 351.225(h). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, the signed Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. The Preliminary Decision Memorandum is hereby adopted by this notice.

#### Affirmative Preliminary Determination of Circumvention

As detailed in the Preliminary Decision Memorandum, the Department preliminarily determines, based on facts available with an adverse inference pursuant to sections 776(a) and (b) of the Act, that innerspring units completed and assembled in Malaysia by Goldon using components from the PRC and exported from Malaysia to the United States are circumventing

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<sup>6</sup> See Preliminary Decision Memorandum for a complete description of the scope of the *Order*.

the *Order*. Moreover, because we are unable to distinguish between those innerspring units that Goldon is exporting to the United States which contain PRC-origin components and those that do not, the Department has preliminarily determined that it is appropriate to instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of innerspring units from Malaysia produced by Goldon as subject to the *Order*.

#### Suspension of Liquidation

In accordance with 19 CFR 351.225(l)(2), the Department will direct CBP to suspend liquidation and to require a cash deposit of estimated duties at the rate applicable to the exporter, on all unliquidated entries of innerspring units produced by Goldon that were entered, or withdrawn from warehouse, for consumption on or after December 22, 2014, the date of initiation of the anticircumvention inquiry.

Should the Department conduct an administrative review in the future, and determine in the context of that review that Goldon did not produce for export innerspring units using PRC-origin innerspring components, the Department will consider initiating a changed circumstances review pursuant to section 751(b) of the Act to determine if the continued suspension of all innerspring units produced by Goldon is warranted.<sup>7</sup>

#### Notification to the International Trade Commission

The Department, consistent with section 781(e)(1)(B) of the Act and 19 CFR 351.225(f)(7)(i)(B), has notified the International Trade Commission (“ITC”) of this preliminary determination to include the merchandise subject to this anticircumvention inquiry within the *Order*. Pursuant to section 781(e)(2) of the Act, the ITC may request consultations concerning the Department’s proposed inclusion of the subject merchandise. If, after consultations, the ITC

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<sup>7</sup> See, e.g., *Certain Tissue Paper Products from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 76 FR 47554 (August 5, 2011).

believes that a significant injury issue is presented by the proposed inclusion, it will have 15 days to provide written advice to the Department.<sup>8</sup>

#### Public Comment

Interested parties may submit case briefs within 15 days after the date of publication of these preliminary results of review in the *Federal Register*. Rebuttals to case briefs, which are limited to issues raised in the case briefs, must be filed within five days after the time limit for filing case briefs. Parties who submit case or rebuttal briefs are requested to submit with the argument (a) a statement of the issue, (b) a brief summary of the argument, and (c) a table of authorities. Parties submitting briefs should do so using the Department's electronic filing system, ACCESS.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.<sup>9</sup> Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues parties intend to present at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined. Prior to the date of the hearing, the Department will contact all parties that submitted case or rebuttal brief to determine if they wish to participate in the hearing. The

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<sup>8</sup> See section 781(e)(2) of the Act.

<sup>9</sup> See 19 CFR 351.310(c).

Department will then distribute a hearing schedule to the parties prior to the hearing and only those parties listed on the schedule may present issues raised in their briefs.

Final Determination

Pursuant to section 781(f) of the Act, the final determination with respect to this anticircumvention inquiry, including the results of the Department's analysis of any written comments, will be issued no later than December 2, 2015, unless extended.

This preliminary affirmative circumvention determination is published in accordance with section 781(b) of the Act and 19 CFR 351.225.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: October 19, 2015.

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